

## Message Text

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ORIGIN DOE-15

INFO OCT-01 EUR-12 ISO-00 DOEE-00 SOE-02 AID-05 CEA-01  
CIAE-00 COME-00 DODE-00 EB-08 H-01 INR-10 INT-05  
L-03 NSAE-00 OMB-01 PM-05 OES-07 SP-02 SS-15  
STR-07 TRSE-00 ACDA-12 NSCE-00 SSO-00 ICAE-00  
INRE-00 PA-01 /113 R

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APPROVED BY EUR/CAN:JHROUSE, JR.  
DOE/GC: RGOODWIN  
DOE/SPR: CHYSTAD  
DOE/IA:JTREAT  
EUR/CAN - WAGARLAND  
-----054192 092148Z /21  
O 092107Z MAY 78  
FM SECSTATE WASHDC  
TO AMEMBASSY OTTAWA IMMEDIATE

C O N F I D E N T I A L STATE 118003

E.O. 11652:

TAGS: ENRG,

SUBJECT: JOINT U.S.-CANADA PETROLEUM STORAGE STUDY

1. (FOR TRANSMISSION TO ENERGY MINES & RESOURCES  
(EM&R) PROPOSED AGENDA: JOINT U.S.-CANADA PETROLEUM  
STORAGE STUDY -- MAY 11, 1978

- I. U.S. OPENING STATEMENT
- II. CANADIAN OPENING STATEMENT
- III. U.S. CONCEPT
- A. ADVANTAGES OF JOINT U.S./CANADIAN
- RESPONSIBILITY

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- B. COST COMPETITIVENESS
- C. TIME CONSTRAINTS
- D. PHYSICAL CAPABILITIES
- E. SECURITY ASSURANCES REQUIRED
- IV. CANADIAN CONCEPT

- A. IMPLICATIONS OF JOINT U.S./CANADIAN RESPONSIBILITY
- B. CANADIAN STRATEGIC GOALS (WITH REGARD TO POTENTIAL STORAGE NEEDS)
- C. CANADIAN ECONOMIC CONSIDERATIONS
- V. ISSUES FOR SPECIAL CONSIDERATION
- A. U.S. AND CANADIAN SECURITY REQUIREMENTS
- B. OWNERSHIP/LEASE ARRANGEMENTS
- C. CONSTRUCTION/OPERATION
- D. TAXATION, CUSTOMS, FORM OF ASSESSMENT
- E. U.S. AND CANADIAN ENVIRONMENTAL REGULATIONS
- VI. FURTHER ACTION REQUIRED

2. COMMENT: FOR EMBASSY ONLY: U.S. SIDE PLANS TO OPEN BY EMPHASIZING THAT THE U.S. WILL NOT NEED A CANADIAN SITE TO MEET THE SPR ONE BILLION BARREL RESERVE GOAL IN 1983 (ASSUMING THAT GULF COAST SITES ARE DEVELOPED ON SCHEDULE). PURPOSE OF THIS MEETING WILL BE TO SEEK CONSENSUS WHERE POSSIBLE ON VARIETY OF ISSUES TO NARROW THE RANGE FOR FUTURE NEGOTIATION. WE ALSO HOPE TO CONVEY TO CANADIANS THE NEED FOR SOME QUID PRO QUO (PERHAPS MORE OIL FOR THE NORTHERN TIER) IN ORDER TO OVERCOME THE POLITICAL OBJEC-  
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TIONS WHICH A CANADIAN SITE IS CERTAIN TO ENCOUNTER IN CONGRESS. WE ANTICIPATE CLEARING A FINAL DRAFT STUDY BY MAY 30 AND THEN MOVING TOWARDS A FINAL DECISION BY OCTOBER/NOVEMBER 1978. CLEARLY, THIS WILL REQUIRE FURTHER BILATERAL CONSULTATIONS DURING THE SUMMER. VANCE

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NNN

## Message Attributes

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**Current Classification:** UNCLASSIFIED  
**Concepts:** PETROLEUM, STORAGE, STUDIES, JOINT VENTURES  
**Control Number:** n/a  
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**Draft Date:** 09 may 1978  
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**Status:** NATIVE  
**Subject:** JOINT U.S.-CANADA PETROLEUM STORAGE STUDY  
**TAGS:** ENRG, US, UK  
**To:** OTTAWA  
**Type:** TE  
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